TCH NO. . Chief, Foreign Div. : Chief of Station, Vienna gro SUBJECT: GENERAL- Operational visit with KOVACS Reference: MAVA-5644; MAV/172 SBG-890 at and I proposed 1. While he was in Munich on 21 July had the opportunity to converse at length with MOVACS and confront him with the discrepancies had the opportunity between his letter of 18 June and the information revealed by KAPITANER erenc TASNADI' to KAPITANFFY and stated that KAPITANFFI had not been consulted regarding the Kapitanery and stated that Kapitanery had not been consulted regarding the proposed meeting. KOVACS himself had decided such a meeting was futile after conferring with his brother and a third party, not named, and deciding that it was impossible to attempt to reactivate a small part of his old network without reactivating the whole.

3. KOVACS' statement leave us as much in the dark as ever commercing his relations, if any, with the was a member of the MHER but claimed to at this meeting that he was a memoer of the management constant MOSZORUS! right hand man in the opposition group, a statement constant MOSZORUS! right hand man in the opposition group, a statement constant with the General MENNIEL. In spite of his which was later confirmed independently by General WENNIEL. seemingly anti-ZAKO position, KOVACS remains a very close Ifiend of KAPITANFFY and must be aware of the latter's position as chief of the ZAKO CI organisation. 4. Reviewing the entire case, howe redecision to break off negotiations with o do not believe that KOVACS! Twas influenced by the It seems more probable for detail, his emphasis on parallel negotiations between 7AKO and ( repeated demands for detail, his en that KOVACS saw in 4 control and his insistence on a small but secure beginning the possibility that neither he nor his brother would have any place in the future organis and he was unwilling to go any farther without the assurance of a plush job. Furthermore, in spite of all his protestations as "chief" of the old network, there can be no doubt that KAPITANFFY managed the actual operations and KOVACS was merely an outlet, probably unaware of most of the significant details S. In v' of our direct contact with KAPITANFFY through both continue to maintain casual contact with him in the hope that more of the inner maneuverings of the MHEK, but KAPITANFFE is no CROSS FILE COPY FOR CLASSIFICATION #AR 51-28 A DO NOT DESTROY DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCES METHODS EXEMPTION 3826 NAZIWAR CRIMES DISCLOSURE ACT BATE 2006

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main target. The latter failed to show up in Salzburg on 10 July as he had expected to and has not heard from him since their first meeting. However, the some welfare business to transact with him which will afford a cover for a trip to Innebruck if KAPITANFFY should find it impossible to visit Salzburg in the near future.

6. Close contact between and KAPITANFFY might provide an additional control factor should closer relations with ZAKO be established.

- <del>2.4.4</del>

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